Statement by Deputy Minister for Industries *re*: allegations against the Gur Development Officer, Mysore State Khadi and Village Industries Board, Bangalore.

Sri A. P. APPANNA (Deputy Minister for Industries).—Sir, while answering Question No. 712 on 11th April 1968, I had promised that I would look into certain allegations made against Sri V. S. Hiregowder, Gur Development Officer, Mysore State Khadi and Village Industries Board, Bangalore. The statement, being a lengthy one, I would like to place it on the Table of the House for the reference of the Members.

Sri M. S. KRISHNAN (Malleswaram).—I rise to a point of order. The hon. Deputy Minister Sri A. P. Appanna just now stated that he is laying a statement on the Table here in answer to a question and therefore, the members are entitled to ask Supplementaries on it. In the absence of knowledge of the contents of the Statement, the permission granted to seek clarification on the question would be negatived. The permission was not granted to simply lay a copy of the statement on the Table of the House. The permission implied opportunity to seek clarifications, if any, on the Statement. Therefore, the Statement has to be read by the Deputy Minister, to enable the concerned member to put questions, if any.

Sri K. H. PATIL (Hubli).—I wish to bring to your kind notice that on 11th April 1968 the hon. Deputy Minister Sri Appanna gave reply to Question No. 712. His reply was not satisfactory. Perhaps he was not fully posted with all the facts, relating to the Khadi and Village Industries Board. We do not know whether all the facts contained in the Statement are correct or not. It is better that the House knows everything contained in the Statement instead of merely placing the Statement on the Table. We may have to express our opinion on it. It is better that the hon. Deputy Minister reads his statement in full. If we are not satisfied with it, we can demand from the Speaker to raise an Half-an-hour discussion or some other debate.

Sri H. SIDDAVEERAPPA.—One other point the hon. Speaker has to examine in this connection. Could the mere fact that the Statement is lengthy, be a ground for placing it on the Table? When it is placed on the Table of course, it becomes the property of the ouse and the Members are entitled to go through it. If the statement is so lengthy, the hon. Deputy Minister could have prepared cyclostyled copies of it and circulated them to all the members. Otherwise, this procedure may become a precedent. The hon. Speaker will have to examine whether we will be setting up a healthy precedent.

Sri M. S. KRISHNAN.—I want to add something more to my point of order.

Mr. SPEAKER.—There is no force in the point of order. So, the hon. Member need not add anything more to it.

(MR. SPEAKER)

As regards the point raised by Sri Siddaveerappa, I have no doubt in my mind that the Statement has to be read. The hon. Deputy Minister stated that he was not reading it because it was a lengthy one and that he would place it on the Table. Of course, that should not be taken as a precedent. In order to save time and help the Members, I shall have copies of the Statement cyclostyled and get them circulated. Will that satisfy the Members? I shall do it in the course of today or tomorrow.

SRI K. H. PATIL.—I am of opinion that it should be read.

MR. SPEAKER.—Then, Hon. Deputy Minister Sri Appanna may please read it.

SRI A. P. APPANNA.—Sri, Sri V. S. Hiregowder, the then Gur Development Officer tendered his resignation on 1st May 1964. But, his resignation was not accepted by the Board.

Meanwhile, a note was circulated by the Secretary, Khadi Board on 14th May 1964 to the Accounts Officer, Additional Accounts Officer, Chief Executive Officer, Office Manager and Superintendent, Establishment Section, stating that Sri V. S. Hiregowder has requested that he may be permitted to resign from 1st June 1964. These Officers were requested to indicate if there were any dues to be paid by Sri V. S. Hiregowder to the Board, accounts to be settled or any case of departmental enquiry pending against him.

A note was submitted to the Board by the Secretary after receipt of information from the Accounts Department. This note was considered by the Board as subject No. 25 during their meeting held on 11th June 1964 and resolution No. 175 of the Board dated 11th May 1964 was passed resolving that the resignation tendered by Sri V. S. Hiregowder cannot be accepted, as it is understood that he is not working in the office, after submitting his resignation. Therefore, the Board resolved to place him under suspension and it was further resolved to address the Anti-corruption Department with a view to launch prosection and such other action against Sri V. S. Hiregowder to recover the amounte which are due from him (Extract of the Resolution is appended herein).

The Officer was not absent as stated in the Board Resolution. Perhaps the Board was misled on the above issue. A Memo of placing the officer under suspension was under issue, but it could not be issued as the matters were clarified by some of the Board members. The following were the items for which Sri V. S. Hiregowder, the then Gur Development Officer had to account for advances taken by him as Gur Development Officer :

1	Account for Rs. 100 reported to have been paid on 15th November 1960.	The Accounts Officer has stated in his note dated 14th May 1964 that this amount was advanced to Sri V. S. Hiregowdar to meet the contingent expenditure

		on crushers. When the matter was enquired into with reference to the facts, it was found that no such advance was in fact paid to Sri V. S. Hiregowder. Therefore, the Accounts Officer has remarked that this may be dropped.
2	Accounts for Rs. 1,500 released on 20th March 1961 towards demonstration of Gur and Khandasari in Congress Exhibition.	The officer has rendered accounts on 2nd March 1962.
3	Accounts for Rs. 450 released on 9th May 1961 towards delivery of crushers.	The accounts rendered by the officer on 17th September 1964.
4	Accounts for Rs. 5,000 sanctioned during 1961 towards arrangement for the Honorary workers' training classes.	Out of this Rs. 5000, 2 Honorary workers training classes were conducted during 1961 and 1962. Out of this amount the Officer had given advance to the Asst. Inspectors for conducting classes for whieh they have rendered accounts. The remaining balance has been remitted by the then Officer to the office. The Accounts are under audit.
5	Statement of suspense account as on 15th January 1963.	Enquiry was conducted in this behalf. A copy of the Enquiry Officer's report enclosed herewith wherein this officer is not responsible for any irregularity.
6	Working out statement showing particuars with regard to cash on hand with the Gur Develpment Officer for remittance.	This has been attended to and the cash on hand with reference to cash book is remitted to the Accounts Department of the Board.
7 & 8	Furnishing of information regarding remittance of pending arrears accounts.	All the accounts for the advances received by the officer have been rendered.
9	Recovery towards machinery and enquipment.	A sum of Rs. 1,193-40 was paid as demurrage charges. This amount was ordered to be deducted from the amount payable to Nahan Foundry to the extent of Rs. 19,323-28.

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10	Payment of demurrages yearwise.	Demurrages were paid on account of wrong despatch by the firm *i.e*, Nahan Foundry. Therefore, all the demurrage charges were proposed to be recovered from the payment, to be made to Nahan Foundry.
11	Accounting for Rs. 5000 advanced for participation in Visweswaraiah Museum Exhibition on 9th May 1961.	He has rendered accounts for these amounts on 5th October 1963. Out of Rs. 5,000, Rs. 2,000 was released to the Saranjam Karyalaya directly for which this officer is not responsible.

Thus it could be seen that this officer has rendered all the accounts for the advances he has drawn. The Anti-corruption Department was not addressed as there was no necessity of addressing the same as the accounts were rendered by him and there was no criminal misappropriation of breach of trust. He has not misappropriated any amount, hence the question of recovery does not arise.

The resignation tendered by the above referred officer was accepted with effiect from 1st May 1965 as he has given an undeataking agreeing to pay any amount *i. e.* finally adjudged as recoverable amount against him and the action taken in accepting the resignation with effect from 1st May 1965 was ratified by the Board *vide* Resolution No. 622 dated 23rd September 1966 (copy of the resolution appended).

Sri V. S. Hiregowder cannot be blamed on any count and that he cannot be charged with any inculpatory behaviour. Even the enquiry officer who conducted the preliminary enquiry has come to the conclusion that in his over enthusiasm Sri Hiregowder did not exercise sufficient care to ensure, that the elementary rules of prudence and office procedure were adhered to, that there were no amounts outstanding against him and no action was also called for.

In view of the above circumstances, it is obvious that Sri V. S. Hiregowder is not guilty of any misappropriation nor can he be accused of any really blameworthy behaviour.

Sri Hiregowder is no more in service in the Board. It is already three years since he has left the post. There are no sufficient reasons to proceed against him. The question of taking further action is proposed to be dropped and the matter treated as closed.

Extract of Resolution No. 175 of the Board, dated 11-6-1964

Subject : No. 25 Accepting the Resignation of Sri V. S. Hiregowder.

Sri V. S. Hiregowder has tendered resignation to be effiective from 1st June 1964. The question for consideration is whether it should be accepted. From the Accounts Department's Note : it is seen that the following Amounts are outstanding agaisnt Sri V. S. Hiregouder.

No.	*Date*	*Amount*	*Purpose*
1	15-11-1960	100-00	Meeting Contingent expenditure on Crushers.
2	20-3-1961	1,500-00	Demonstration of Gur Industry at Congress Exhibition.
3	9-5-1961	5,000-00	Visweshwaraiah Museum Exhibition.
4	9-5-1961	450-00	Taking delivery of B.D.O. Crushers.

It is also seen that no Registers were produced at the time of audit of accounts of Gur and Khandsary Scheme and therefore, no proforma accounts could be prepared. Similarly, final replies for audit Report received from the A. G. for the years 1961-62 and 62-63 have not been furnished by the Development Officer.

2 This apart, there are some cases wherein the Development Officer has purchased implements like juice boiling pans and B. D. Crushers without proper authority and without following the procedure outlined for the purpose. The Development Officer has been asked to furnish his explanation, but he has not done this. For example :—

(*a*) the case of purchase of B. D. Crushers from M/s. Nahan Foundry Limited, for Rs. 19,323-28 is not yet finalised ;

(*b*) the case regarding purchase of Juice boiling pans from Sarvodaya Sahakar Sangha Limited, Kanakapura for Rs.1,460 is still to be finalised. In this case, the Standing Finance Committee has approved the proposal to pay the price of the boiling pans but the Accounts Officer has not paid the Bill because he wants clarification on certain points. The Development Officer has not yet furnished the clarification.

There are also three cases in which a demurrage amounting to Rs. 1,299-70 has been paid by this Officer in connection with the taking delivery of B. D. Crushers at K. R. Puram Railway Station. The Accounts Officer has remarked that this is an unavoidable expenditure and therefore the sanction of Standing Finance Committee is necessary. Before this is done the delay in taking delivery of the Crushers require to be explained.

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3 In the circumstances it would be difficult to permit this Officer to resign from the post with effect from 1st May 1964 unless he agreed to execute an Indemnity Bond agreeing to discharge such liabilities for which he may be held subsequently responsible by the Board. This is now placed before the Board for consideration.

Resolution No. 175.

The Resignation tendered by Sri V. S. Hiregoundar cannot be accepted. It is understood that he is not attending to his work in the office after he submitted his resignation. Hence, the Board resolves to place him under suspension with immediate effect.

It is further resolved to address the Anti-corruption Department with a view to launch prosecution and such other action against Shri V. S. Hiregoudar to recover the amounts which are due from him.

The staff Sub-Committee of the Board will deal with the question of filling up the vacant post of the Development Officer, Village Industries.

Extract of the Board Resolution No. 622 dated 23rd and 24th September, 1966.

Subject No. 6 :—To ratify the action taken by the Office in accepting the resignation tendered by Sri V. S. Hiregoudar, Gur Development Officer, w.e.p. 1st May 1965.

Sri V. S. Hiregouder tendered his resignation *vide* his letter dated 1st May 1964 requesting to accept the same w.e.f. 1st June 1964.

He was continued in the services to settle some pending matters against his name. He has attended the office up to 30th April 1965 and from 1st May 1965 he has not attended the office. Sri V. S. Hiregowder has given in writing *vide* his letter dated 20th May 1966 to accept his resignation and he has also stated that he will settle any pending matters, if it is finally adjudged on him.

In view of his above undertaking, his resignation was accepted w. e. f. 1st May 1965.

Resolution No. 622.

Action taken by the Office in accepting the resignation tendered by Sri V. S. Hiregouder, w. e. f. 1st May 1965 is ratified.

Enquiry against him should be pursued and expedited and action taken.

Preliminary Enquiry Report of the Enquiry Officer

No. KB/EO/285/66-67, dated 6th Septmber 1966.

A preliminary enquiry was conducted into the misappropriation of the funds of the Board in the Gur and Khandasari Section. Out of 16 cases, 14 vouchers were handed over to me. Apart from this, vouchers were also not available for the advance of Rs. 22 paid to Sri V. S. Hiregoudar to make good at the District Office on 16th August 1961 (item 5), the advance of Rs. 44 outstanding against Sri V. S. Hiregowdar towards the food charges, paid at the time of farewell to Sri G. V. Hallikere during September 1960 (item 8), the advance of Rs. 25 paid to Sri Y. S. Kalwad as per instructions of the Gur Development Officer on 7th October 1961 (item 10), the advance of Rs. 20 paid to Sri Manik Rao Kalburgi, Superintendent, Establishment Section as per instruction of the Gur Development Officer during 1960 (item 12). The amount of Rs. 61-50 deposited at Tourist Hotel towards reservation of rooms for the delegates attending the Gur Development Officers' Conference on 11th July 1961 (item 13) and the T. A. advance of Rs. 2 paid to Sri Sitharam and Sri Puttaswamy class IV officials to go to K. R. Puram on 20th April 1962 (item 16).

Sriyuths B. Srikanthaiah, M. A. Subbaiah, Manik Rao Kalburgi and peons Puttaswamy, Lingaiah and Seetharam were examined at the enquiry. Sri V. S. Hiregowdar was not present at the enquiry.

Sri B. Srikanthaiah deposed that he did not remember for which purpose he took the advance of Rs. 60. It might be for travelling expenses. He had to take the money urgently and he took the permission of Sri Hiregowdar for taking cash. Subsequently it had been paid back. But the amount had not been spent for his personal use.

Sri M. A. Subbaiah said that he used to disburse the advances to various parties on the instructions of Sri V. S. Hiregowdar, Gur Development Officer. There were no written orders to issue advances. He added that by the end of March 1963, the amounts outstanding had been recovered from the parties and so far as he was concerned, he had nothing to pay and had no hand in the payment of advances, except obeying the orders of his superior officer, Sri Hiregowdar. He was not responsible in any way. It was Sri Hiregowdar, who was responsible for the advances. He did not give advances to anybody on his own accord.

Sri Manik Rao Kalburgi stated that he borrowed Rs. 20 from Sri Subbaiah of Gur and Khandasari Section. It was later on returned to him. He had not borrowed from Sri Hiregowdar. He said that he had not taken any advance. As he wanted money, he had taken it from Sri Subbaiah. He did not know that Sri Subbaiah was handling cash. He returned the loan which was given by Sri Subbaiah.

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Sri Puttaswamy peon, stated that the advance of Rs. 20 was given to Sri Lingaiah, and he gave the acknowledgement to Sri Subbaiah. Sri Hiregowdar had asked Sri Subbaiah to give advance. Himself and Sri Lingaiah were asked to keep Rs. 10 each for their expenses at the Visvesvaraya Museum.

Sri Lingaiah, peon, corroborated the evidence of Sri Puttaswamy. He said that Rs. 20 had been given to him and Sri Puttaswamy for their food expenses at the Exhibition at the Visveswaraya Museum. This advance had been given to them on the instructions of Sri Hiregowdar.

Sri Seetharam, peon, who worked at the Exhibition said that he received Rs. 1-50 per day for his duty. Sri Hiregowdar was advancing him money through Sri V. Raghuram. He remembered to have taken advance of Rs. 30 and Rs. 15 for which he had given acknowledgement. Regarding the advance of Rs. 2 to go to K. R. Puram to see the Sugar cane crushing Machine, the acknowledgement for Rs. 2 had not been taken from either of them.

Conclusion :—Regarding the advances referred to above, it is a fact that Sri Hiregowdar took the advances since he was handling cash. He must have spent the money with the idea of reimbursing it later, since he was also the Drawing Officer.

In respect of the advance of Rs. 22 paid to Sri Hiregowdar to make good at the District Office, Rs. 10 as payment to the Advocate appearing for the Housing Society and Rs. 44 towards food charges, there is no doubt that Sri Hiregowdar exceeded his authority. He should not have paid the money from funds of the Board.

Regarding the advances of Rs. 25 and Rs. 20 to Sri Y. H. Klawad and Sri Manik Rao Kalburgi, it is not known for what purpose he paid the advances. In the absence of vouchers, it is not possible to say anything. Sri Manik Rao Kalburgi, flatly denied having received anything as advance. It was something like a loan which he took from Sri Subbaiah. There is no voucher relating to the amount of Rs. 61-50 deposited at the Tourist Hotel.

Items 2 and 3 refer to the advances of Rs. 45 and Rs. 25 taken by Sri Hiregowdar. He should have paid back the advances while claiming the final T. A. bill. His failure to do so is a serious lapse of duty on his part. Other advances taken by him adverted to under items 1, 4, 7, 9, and 10 are equally open to objection.

As regards, point (*b*), depositing the funds of the Board in the personal name, the Canara Bank in their letter dated 18th May 1965 have confirmed that the Bank account was in the name of Sri V. S. Hiregowdar, Development Officer, Gur nd Khandasari Industry, Bangalore. Action should have been taken earlier to see that he did not keep any account in his personal name. It was an irregularity.

With regard to point (*c*), that Sri Hiregowdar had drawn the salary for the period for which even leave was not sanctioned, the note of the Ex-Office Manager dated 21st July 19 64 has been seen as also the reply of Sri V. S. Hiregowdar dated 29th July 1964. The arguments and counter-arguments have proceeded on personal lines and do not throw much light.

Lastly about (*d*), the copy of the representation given to the Convener of the Enquiry Committee by the officials of the Board against Sri V. S. Hiregowdar, Secretary of the Housing Co-operative Society, has not been made available.

It appears from above that the advances paid by Sri V. S. Hiregowdar have also been recovered and the question of taking further action does not arise, since he is no longer in service.

The transactions were irregular and Sri Hiregowdar should have exercised sufficient care to see that his over-enthusiasm did not outrun the bounds of prudence and elementary rules of office procedure. There are no amounts outstanding against him. No action is called for.

(Sd.) B. Channabasavappa,
Enquiry Officer.

Petition regarding levy on Jawar Crop submitted by the ryots of Aland Taluk

Presentation.

SRI D. B. KALMANKAR (Aland).—Sir. I present a petition signed by the ryots of Aland Taluk requesting for exemption from levy on jawar crop.

MR. SPEAKER.—The petition is presented.

City of Bangalore Municipal Corporation (Amendment) Bill, 1969.

Motion to Consider

SRI B. M. PATIL (Minister of State for Municipal Administration).—Sir, I beg to move.....

† SRI M. NAGAPPA (Raichur).—Sir, I take objection to the moving of this Bill. My objection is only to clause 10 of the Bill which seeks to insert section 104A in the original Act. It deals with apportionment of liability for property tax when the premises assessed are let or sublet. Under this provision, if any premises assessed to property tax is